PSC81/19

Response to the Welsh Government Consultation on its National Development Framework

15 November 2019

About Energy UK

Energy UK is the trade association for the energy industry with over 100 members spanning every aspect of the energy sector – from established FTSE 100 companies right through to new, growing suppliers and generators, which now make up over half of our membership.

We represent the diverse nature of the UK's energy industry with our members delivering almost all (90%) of both the UK's power generation and energy supply for over 27 million UK homes as well as businesses.

The energy industry invests over £13.1bn annually, delivers around £85.6bn in economic activity through its supply chain and interaction with other sectors, and supports over 764,000 jobs in every corner of the country.

Executive Summary

Energy UK considers the National Development Framework (NDF) a once in a lifetime opportunity to put in place a new planning framework that can facilitate the delivery of the targets set by Lesley Griffiths AM in 2017, address the Climate Emergency declared by the National Assembly for Wales in 2019, and help to decarbonise the Welsh economy particularly in the context of the recently-launched Low Carbon Plan 2019.

However, the Welsh Government has not quantified the scale of the challenge in terms of realistic scenarios for the deployment of renewable generation and low carbon infrastructure for 2030, 2040 and 2050 or demonstrated that the proposals within the NDF are consistent with these. There is also uncertainty around the ambition of the 2017 targets in the context of the Welsh Government's more recent (2019) target to achieve 95% carbon reduction by 2050 and a broader ambition to achieve 'net-zero' by 2050. The NDF needs to be consistent with the most recent and ambitious targets. The UK Committee on Climate Change (CCC) estimates that delivering 'net zero' will require a fourfold increase in renewable energy deployment and therefore the NDF needs to be designed to create a fertile planning landscape to facilitate this growth.

Response to Consultation Questions

Question 1. NDF Outcomes (chapter 3)

Energy UK supports all 11 Outcomes set out in the NDF and Welsh Government's ambition to achieve them in the next 20 years. We agree that this is highly contingent on an effective, and fit for purpose planning system and also believe that the energy sector can play a fundamental role in achieving a number of these Outcomes. Where we feel we will make the most noticeable contribution is on the delivery of Outcome 11;

"*The challenges of climate change demand urgent action on carbon emissions and the planning system must help Wales lead the way in promoting and delivering a competitive, sustainable decarbonised society. Decarbonisation and renewable energy commitments and targets will be treated as opportunities to build a more resilient and equitable low-carbon economy, develop clean and efficient transport infrastructure, improve public health and generate skilled jobs in new sectors.*"

The NDF is key to achieving this outcome in that it is the primary development plan for Developments of National Significance (DNS) applications, meaning decisions on energy projects >10MW (and below 350MW for energy generation other than onshore wind) must be taken in accordance with the NDF. The NDF also provides direction for Strategic Development Plans (SDPs) and Local Development Plans (LDPs) prepared by local planning authorities (LPAs), who determine proposed energy developments of 10MW or less.

Question 5. Low Emission Vehicles (policy 7). To what extent do you agree or disagree that policy 7 will enable and encourage the roll-out of charging infrastructure for ultra-low emission vehicles?
Energy UK supports the Welsh Government's intention to develop a charging network and encourages it to duly consider the role that different types of charging play in the charging ecosystem (e.g. at home, at work, public destination and public en-route/rapid charging), whilst recognising the importance of also encouraging EV uptake, as the two are complementary.

Progress made decarbonising the power sector can be leveraged to decarbonise road transport, in particular through battery electric vehicles, which offer the greatest opportunities for emissions reductions. The Welsh Government should seek to prioritise the uptake of battery electric vehicles in particular in light of this.

The NDF should ensure that it enables and encourages the roll-out of charging infrastructure for electric vehicles by carrying out the necessary and future-proof grid upgrades to support the increased demand of the necessary charging infrastructure. Energy UK recommends considering targeted investments in grid reinforcements for strategic en-route ultra-rapid charging hubs, consideration of supplementary grants for workplace and on-street charging infrastructure, given the relative shortage of off-street home parking in Welsh towns, and a review of planning requirements, ensuring the inclusion of passive and active charge point provision in new developments. Energy UK supports ambitious planning requirements for EV charging infrastructure and urges the Welsh Government to match the requirements being introduced in England[1], as a minimum, as well as looking at introducing more ambitious requirements.

In addition, Energy UK recommends the Welsh Government reviews charging infrastructure provision within the car parks of the property it owns, from council premises, public car parks and major transport hubs, again targeting accelerated EV uptake levels towards 2030.

Due attention should also be paid to ensuring that the increasing fleet of electric vehicles is supplied by clean, low-carbon electricity. It must also acknowledge and proactively plan for the long-term challenges Wales faces in relation to new and reinforced grid, especially in Mid Wales.

Question 6. Green Infrastructure (policies 8 & 9) To what extent do you agree or disagree with the approach to maintaining and enhancing biodiversity and ecological networks?
Energy UK supports the approach to include green infrastructure as national development projects and welcomes the expectation in Policy 8 that the Welsh Government and its key partners will identify *"opportunities where strategic green infrastructure could be maximised as part of development proposals"* as this recognises the potential biodiversity benefits (net gain) that can be achieved by developments. We would welcome further detail on how and where exactly these green infrastructure projects will be deployed, as while there are area-based designations for onshore wind and solar developments, plans for these green infrastructure projects are less clear and we would welcome more detail on how and where exactly they would be delivered.

1 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/818810/electric-vehicle-charging-in-residential-and-non-residential-buildings.pdf

Question 7. Renewable Energy and District Heat Networks (policies 10-15). To what extent do you agree or disagree with the NDF's policies to lower carbon emissions in Wales using…Large scale wind and solar developments and district heat networks?

Energy UK is supportive, in principle, of the Welsh Government's positive approach to renewables and the efforts made to reflect this in the narrative and policies of the NDF. The consideration of turbines up to 250m to tip is welcomed as the direction of travel for the wind industry is towards taller turbines. In line with support for 250m turbines, we would recommend that any limitations on innovation should be resisted in order to future proof the final NDF up to 2040. We note, however, that there has been no consideration of the associated grid connections which should also benefit from a similar acceptance of landscape change if this policy is to be deliverable. We firmly believe that Welsh Government can be an enabler, welcoming the work of companies that want to invest in renewable energy generation in Wales, within the wider context of the climate emergency, supporting economic growth, delivering security of supply and lowering consumer bills.

That being said, we have significant concerns related to the *Assessment of on-shore wind and solar energy potential in Wales*[2] and its designation of 'Priority Areas' for wind and solar energy. We find these 'Priority Areas' to be largely unsuitable for onshore wind once standard developer constraints, such as property buffers and wind speeds, are applied. Initial analysis by RenewableUK Cymru shows that only approximately 10% of the total area of the 'Priority Areas' is theoretically suitable for onshore wind, however, once existing operational schemes within 'Priority Areas' have been accounted for, this amount will be closer to 5%, significantly reducing the ability of these areas to contribute to combating climate change. This problem would occur regardless of tip height. Furthermore, some of these sub-optimal locations would only be capable of hosting small schemes (<10MW) which are only likely to be viable with subsidy and are not DNS-scale projects (i.e. not ones that would be determined against the NDF). We believe that the NDF (as is) is setting Wales up to fail its renewable energy targets and will effectively stifle deployment of large-scale onshore wind at any meaningful scale due to the flawed assumptions underpinning the assessment.

An assessment of future potential for onshore wind in Wales, based on standard constraints applied by developers, indicates that a significant proportion of the potentially developable pipeline falls outside of the Priority Areas (i.e. falls in the amber areas). As Policy 11 (amber areas) sets a higher threshold of acceptability for developments, the consenting risk for developments will be higher making development at risk less attractive. Many of the best potential onshore wind sites in Wales, including several sites previously within Technical Advice Note (TAN) 8 Strategic Search Areas (SSAs) and on the Welsh Minister's forestry estates (which would also provide direct financial benefit to the Welsh Ministers) are outside the Priority Areas. Many of the TAN8 SSAs have already been subject to considerable development activity and investment and their full potential is yet to be fully realised. The additional consenting risk within amber areas may have a negative impact on deployment in Wales and future opportunities for the established Welsh supply chain will be reduced or in the worst case lost entirely.

Our preference would be for Priority Areas to be replaced by a criteria-based approach which reflects the supportive wording in Policy 10, avoids subjective constraints (such as Arup's high-level landscape and visual inter-visibility assessment used to inform the Priority Areas), and avoids overly onerous buffer zones around designated features (such as National Parks, heritage sites, or areas of outstanding natural beauty).

We support a criteria-based approach that does not undermine the intentions of building a critical mass to support new or reinforced grid infrastructure referred to on page 36 and recognise collaborative working is needed to develop a policy framework for renewable energy that supports grid reinforcements in order that the new developments have a route to grid. We support a renewable energy workshop as part of the draft NDF consultation process to bring developers, regulated grid operators and planning authorities together to best achieve the required policy framework.

[2] https://gov.wales/assessment-shore-wind-and-solar-energy-potential-wales

Furthermore, it is not possible to conflate onshore wind and solar potential into a single 'area' (as the Arup assessment has done) because different constraints are applied to both technologies. As well as applying constraints that should not apply to onshore wind, the Arup assessment has also applied a high-level landscape and visual inter-visibility assessment which is not appropriate at the plan-making stage. A criteria-based approach would ensure that planning decisions are not prejudged by unsophisticated and subjective high-level blanket assessments taken at the plan-making stage. The appropriate opportunity for Welsh Ministers to assess effects will be on a case-by-case basis at the point of making a decision on the DNS application which will be accompanied by a site-specific and detailed Environmental Impact Assessment (EIA).

Large-scale onshore wind developments may require associated development at a level beyond that over which Welsh Government has jurisdiction (i.e. grid connections are Nationally Significant Infrastructure Projects (NSIPs) when they are over >132kV, and are determined at the UK Government level). In order to ensure delivery in line with the intent of the NDF, the NDF should therefore provide 'in principle' support for these projects.

Additionally, encouraging renewable energy is only a small element of the wider decarbonisation agenda. Strategic decisions, for example on how heating is decarbonised (electrification vs repurposing the gas network using renewable gasses and hydrogen) have yet to be made and these will inevitably impact on the spatial and temporal requirements for new renewables. Whilst, arguably, the point could be made that this is beyond the timescale of the NDF, the reality is that the planning and financial implications need to be considered well in advance to ensure that the NDF or its successors allow for the consequences of such decisions. It is also prudent to flag this issue here because the Welsh Government will inevitably need to consider these issues in due course if it is to meet its net zero target.

If you disagree with the NDF's approaches to green infrastructure, renewable energy or district heat networks, what alternative approaches should we consider to help Wales to enhance its biodiversity and transition to a low carbon economy?

Although the Welsh National Marine Plan will be the document against which devolved offshore projects are assessed, the NDF should recognise and support the contribution made by offshore wind and tidal technologies, and provide a supportive policy framework for the devolved onshore elements of these offshore schemes. As an aside, we would also welcome consideration by Welsh Government of the timing of consenting under the Marine Licensing regime so that NSIP projects consented under the Planning Act process are not unduly delayed by marine licensing consenting issues.

The NDF is inconsistent in its approach to DNS projects. It has gone to an unnecessary level of detail to identify Priority Areas for onshore wind and solar whilst not addressing or, in some cases, making a single reference to other types of DNS projects (e.g. overhead grid connections, ports, harbours, transport, other generating stations etc.)

There is also little to no mention of Carbon Capture Use and Storage (CCUS) in the NDF, which is concerning given the importance the CCC places on the technology to achieve net zero emissions by 2050. There are also promising opportunities for the deployment of CCUS in areas of large-scale industrial activity such as in South Wales (specifically around Port Talbot and Swansea). Areas like these with mix of industries and the presence of electricity generating power plants, using both gas and biomass, have been identified as ideal for the development of a CCUS and hydrogen cluster[3]. As there are no offshore CO_2 storage sites in the immediate area, CO_2 from the South Wales region would need to be sequestered through use as a feedstock or transported by ship for storage. For sectors that are critical to the economy of Wales where there are few alternatives for decarbonisation, such as oil, steel, cement, hydrogen and chemicals industries, deploying CCUS is the most cost-effective pathway to decarbonise. Failing to mention the potential to develop South Wales into an 'industrial CCUS/hydrogen

[3] Delivering Clean Growth: CCUS Cost Challenge Taskforce Report (July 2018) https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/727040/CCUS_Cost_Challenge_Taskforce_Report.pdf

cluster' is a missed opportunity and, given the NDF should set the strategic direction out to 2040, neglects the absolutely essential role CCUS has in decarbonising industry in line with the new 2050 targets and should therefore be considered a key national priority.

8. The Regions (policy 16). To what extent do you agree or disagree with the principle of developing Strategic Development Plans prepared at a regional scale? The NDF identifies three overall regions of Wales, each with their own distinct opportunities and challenges. These are North Wales, Mid and South West Wales, and South East Wales.

Energy UK supports planning policy consistency across all regions of Wales. We would consider there to be almost equal opportunities for energy infrastructure in all of the regions and, as per our preferred criteria-based approach, these should be determined on a case-by-case basis.

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